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SUBJECT: NIGERIA: BAYELSA STATE MOVES ON GOVERNMENT  
TRANSPARENCY, SUSTAINABLE DEVELOPMENT

REF: A. LAGOS 328  
B. ABUJA 1600

¶1. (SBU) Summary: Dimieri Von Kemedi, Head of the Due Process and eGovernance Bureau for Bayelsa State told Poloffs in conversations on June 11, July 12 and August 1 that during Governor Timipre Sylva's (People's Democratic Party) first year in office his Bureau has taken concrete steps to ensure transparency and promote sustainable development. Accomplishments include establishing a government procurement office with trained personnel; eGovernance functions for budget, procurement, human resources and project management; a State Strategy for Sustainable Development, and a Budget Expenditure and Transparency Board which includes members of civil society. In addition, according to Kemedi, Bayelsa state plans to seek a Standard and Poors rating, upgrade state accounting standards, and ensure reliable electrical power in order to attract international investment. End Summary.

#### Progress toward Transparency and Accountability

¶2. (SBU) The Government Procurement office, a unit of the Due Process and eGovernance Bureau which Kemedi heads, is now staffed and operating. Earlier in the year, Kemedi arranged for several top staff members to undergo in-depth training in government procurement processes in the U.K. The eGovernance office of the Bureau is also well underway, Kemedi said. The eGovernance function will allow greater management of government transactions and will allow officials to see the status of funds in various accounts at any given time. In February, Bayelsa requested bids for eGovernance infrastructure, hardware and installation, network engineering, and applications including e-procurement, human resources, and project management. Experts from Australia and the U.K. evaluated the bids, and a professional system with roots in Nigeria costing Naira 900 million was selected. Kemedi stressed that this was a Nigerian solution, not something imposed by the World Bank or foreign donors.

¶3. (SBU) In addition, Bayelsa is setting up a Budget Expenditure Transparency Board which will enable citizens to become more involved in monitoring government revenue and spending. The Budget Transparency Board will oversee the

expenditures of the state and take note of and discuss areas where there are weaknesses. Training and capacity building in budget monitoring for NGOs will also be conducted, he said.

Development Plan Includes Local Governments

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¶ 14. (SBU) The second major accomplishment is the preparation and publication of the Bayelsa State Strategy for Sustainable Development, which was subsequently circulated for comment. On June 11, Kemedi told Pol-Econ Chief that he had been working with an international foundation that provided help with initial concepts, and drafts of some elements of the overall strategy, which will include the local government area level, he said. The draft will be presented at a public meeting for feedback. Kemedi hopes to hire an expert economist who will help guide the Bayelsa Internal Revenue Service (BIRS) and strengthen policy formulation and execution, especially with respect to expenditures.

Bayelsa to Seek Standard and Poors Rating

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¶ 15. (SBU) The State consulted with HSBC about raising capital to undertake major development projects such as an airport, a deepwater supply base, similar to the Accor base in Port Harcourt, and a deepwater port. According to Kemedi, HSBC advised the State that certain prerequisites must be fulfilled. Among these is a Standard and Poors or Fitch rating for the State, which the State is now seeking. In

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addition, Kemedi wants to ensure that the State's accounting standards reach an international level, because he believes that this will also favorably influence investors.

Work Under Way to Solve Power Problem

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¶ 16. (SBU) Kemedi also told Poloffs August 1 that the State was well on the way to increasing the supply of electric power. To increase output, the State has ordered a gas turbine. In addition, the State, which has always had its own transmission network, is installing new equipment to upgrade the existing system. Kemedi believes that when everything is finished (no completion date given), Bayelsa will have sufficient power to entice companies thinking of leaving Nigeria to instead relocate to Bayelsa.

¶ 17. (SBU) Comment: Kemedi, a long standing contact of the Mission, reportedly was recruited by Governor Sylva based on his work leading the "Our Niger Delta" NGO. Kemedi's work to date appears to have put in place a valid environment for improving transparency and accountability in Bayelsa State government.

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